

Message Text

LIMITED OFFICIAL USE

PAGE 01 CAIRO 05705 281038Z

13S

ACTION NEA-10

INFO OCT-01 ISO-00 SS-15 SP-02 INR-07 NSC-05 /040 W

----- 032328

O R 281003Z APR 76

FM AMEMBASSY CAIRO

TO AMEMBASSY KINSHASA IMMEDIATE

SECSTATE WASHDC 2487

INFO AMEMBASSY ABU DHABI

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY DOHA

AMEMBASSY RABAT

LIMITED OFFICIAL USE CAIRO 5705

KINSHASA FOR DEPUTY SECRETARY ROBINSON WITH
SECRETARY#S PARTY

EO 11652: NA

TAGS: ECON, EG, XE

SUBJECT: ARAB FUND FOR EGYPT

REF: CAIRO 4608 (NOTAL)

1. CAIRO PRESS REPORTED APRIL 27 ON MEETINGS IN RABAT BETWEEN MINFINANCE ABU ISMAIL AND FINANCE MINISTERS FROM SAUDI ARABIA, KUWAIT, QATAR AND UAE REGARDING ARAB FUND FOR EGYPT. ACCORDING THESE REPORTS OTHER ARAB SOURCES EXPRESSED "SURPRISE" AT REPORTS FROM EGYPT ON THE SIZE OF ARAB FUND FOR CONSOLIDATION OF EGYPTIAN ECONOMY. REPORTS SAID THAT "ONLY \$2,400 MILLION HAVE BEEN EARMARKED FOR FUND FOR COMING FIVE YEARS." THIS AMOUNT WILL BE AVAILABLE TO EGYPT AT AN ANNUAL RATE OF \$480 MILLION, DIVIDED AMONG SAUDI ARABIA, KUWAIT, QATAR AND UAE. PART OF THESE FUNDS WOULD BE IN THE FORM OF LOANS WHICH EGYPT WOULD PAY BACK. PRESS REPORTS GO ON TO STATE THAT EGYPTIAN MINFINANCE ABU ISMAIL AGAIN EXPLAINED

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CAIRO 05705 281038Z

EGYPT'S FINANCIAL AND ECONOMIC SITUATION, HIGH-

LIGHTING NEED FOR \$12 BILLION DURING THE NEXT FIVE YEARS TO SOLVE LIQUIDITY SHORTAGE, EXECUTE BASIC INFRASTRUCTURE PROJECTS, AND IMPLEMENT JOINT VENTURES WITH ARAB STATES .

2. ON APRIL 28, PRESS CONFIRMS AGREEMENT IN RABAT ON SETTING UP OF \$2 BILLION FUND" FOR EGYPT. STORY ATTRIBUTES INFORMATION TO ABU ISMAIL IN RABAT. TERMS HAVE YET TO BE AGREED UPON UNDER WHICH ASSISTANCE WILL BE EXTENDED. REPORTS STATE THAT IN ADDITION TO ACTUAL CONTRIBUTIONS TO EGYPT, FUND WILL BE USED AS A BASE AGAINST WHICH LOAN GUARANTEES FOR EGYPT WILL BE MADE TO INTERNATIONAL BANKS. ACTUAL VALUE OF FUND TO EGYPT THEREFORE WILL FAR EXCEED \$2 BILLION.

3. COMMENT: ALTHOUGH ABOVE IS CONSISTENT WITH WHAT WE HAD ORIGINALLY BEEN TOLD AFTER SADAT TRIP TO ARABIA, IT IS CLEARLY LESS THAN EGYPTIANS - OR AT LEAST ABU ISMAIL - HOPED THEY WOULD BE ABLE TO EXTRACT FROM ARAB STATES. ABU ISMAIL'S PRESENTATION TO EARLIER RIYADH MEETING OF ARAB FINANCE MINISTERS WAS STRONG PITCH FOR MORE (REFTEL). AS RECENTLY AS APRIL 18, HE STILL TOLD AMBASSADOR THAT GOE HAD HEARD NOTHING FURTHER ABOUT \$2 BILLION FUND AND HOPED HIS PRESENTATION HAD PERSUADED HIS ARAB COLLEAGUES THAT CONSIDERABLY MORE GENEROUS HELP TO EGYPT WAS NEEDED. GIVEN INCREASING SAUDI AND KUWAITI RELUCTANCE MEET GOE'S INSATIABLE FINANCIAL REQUIREMENTS, IT WAS PROBABLY A VAIN HOPE FROM THE OUTSET.
D
TILTS.

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 28 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CAIRO05705
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760161-0122
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760415/aaaaalwo.tel
Line Count: 91
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 CAIRO 4608
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 08 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 JUN 2004 by BoyleJA>; APPROVED <08 OCT 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ARAB FUND FOR EGYPT
TAGS: ECON, EG, XE
To: KINSHASA STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006